

CALIFORNIA MEDICAL ASSISTANCE COMMISSION

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**CALIFORNIA MEDICAL ASSISTANCE COMMISSION**

State Capitol, Room 113
Sacramento, CA

Minutes of Meeting
April 27, 2006

COMMISSIONERS PRESENT

Cathie Bennett Warner
Michele Burton, M.P.H.
Diane Griffiths
Teresa P. Hughes
Vicki Marti
Nancy E. McFadden

CMAC STAFF PRESENT

Enid Barnes
Keith Berger, Executive Director
Paul Cerles
Denise DeTrano
Holland Golec
Katie Knudson
Ina Pewitt
Steve Soto
Michael Tagupa
Mervin Tamai
Karen Thalhammer

EX-OFFICIO MEMBERS PRESENT

Toby Douglas, Department of Health Services

EX-OFFICIO MEMBERS ABSENT

Bob Sands, Department of Finance

I. Call to Order

The April 27, 2006 open session meeting of the California Medical Assistance Commission (CMAC) was called to order by Commissioner Cathie Bennett Warner. A quorum was present.

II. Approval of Minutes

The April 13, 2006 meeting minutes were approved as prepared by CMAC staff.

III. Executive Director's Report

Keith Berger, Executive Director, reported that there were sixty-six amendments and new contracts for the Commission to review and take action on, in closed session at this meeting, as well as many updates and important discussions regarding current negotiations and negotiation strategies, including the Supplemental and Distressed Hospital Funds.

Mr. Berger also informed the Commission that CMAC staff has been working conscientiously on the Private Hospital and Non-Designated Public Hospital Supplemental Funds and that while negotiations are still occurring for some of the eligible hospitals, a significant number of the amendments were ready for action in today's closed session.

Mr. Berger updated the commissioners on the Senate Budget Subcommittee hearings on the 2006-2007 Medi-Cal Budget items, including CMAC and California Department of Health Services (CDHS) staffing requests. As Mr. Berger mentioned in the open session of the April 13th meeting, an additional Senior Negotiator position was requested by CMAC to help support Medi-Cal managed care expansion. The Subcommittee adopted the Legislative Analyst's Office's (LAO) recommendation to delete the position from next year's budget and address the position in future years when more expansion takes place. The Executive Director also communicated that 11 of the 17 new managed care positions requested by CDHS were deleted by the Subcommittee, and that CMAC will work with CDHS to support the expansion as effectively as possible based on the resources available at both agencies.

Mr. Berger concluded his report by formally introducing Katie Knudson as the new Administrative Assistant to the Commissioners, Executive Director and General Counsel.

IV. Department of Health Services (CDHS) Report

Toby Douglas, Assistant Deputy Director, Medical Care Services, DHS, was pleased to report that Centers for Medicare & Medicaid Services (CMS) has approved the first of three State Plan Amendments (SPAs) related to the hospital financing waiver. This SPA is for the designated public hospital Medi-Cal interim per diem rate for inpatient days. He said that the Department expects the SPA for the Disproportionate Share Hospital (DSH) program changes to be approved very soon, as CMS has been very responsive on turnaround time and does not appear to have any significant problems with the submitted SPA.

Mr. Douglas also mentioned that one issue of importance is the requirement by CMS for CDHS to have a defined DSH Pool within the DSH allotment for private hospitals in order to make minimum payments to the eligible hospitals. He reported that currently, CDHS is making "DSH-like" supplemental payments to the private hospitals

comprised of state general funds and federal funds which are not a part of California's DSH allotment (approximately \$2 billion total funds). He added, per CMS, that in accordance with federal law, a minimum DSH payment from the allotment must go to the private hospitals and CMS has indicated that CDHS can make the determination as to the "minimal amount" to be made, which could simply be calculated based on a given dollar value and multiplied by the eligible hospitals. This requirement has been shared with the DSH Task Force and they are in agreement with the concept. He said CDHS is in the process of preparing responses to the informal DSH questions from CMS.

In closing, Mr. Douglas reported that the Administration has announced a proposal to reorganize the CDHS into two departments: a Department of Public Health and a Department of Health Care Services. Under this proposal, Medi-Cal would be in the Department of Health Care Services. This proposal must be approved by the Legislature.

V. New Business/Public Comments/Adjournment

There being no further new business and no comments from the public, Commissioner Bennett Warner recessed the open session. Commissioner Bennett Warner opened the closed session, and after closed session items were addressed, adjourned the closed session, at which time the Commission reconvened in open session. Commissioner Bennett Warner announced that the Commission had taken action on hospital and managed care contracts and amendments in closed session. The open session was then adjourned.